
Introduced by Senator Poochigian

February 23, 2001

An act to amend Section 1785.11 of the Civil Code, relating to consumer credit reporting.

LEGISLATIVE COUNSEL'S DIGEST

SB 1122, as introduced, Poochigian. Consumer credit reporting.

Existing law regulates the circumstances under which a consumer credit reporting agency may furnish a consumer credit report, as specified, and provides that a consumer may elect to have his or her name and address excluded from any information provided by a consumer credit reporting agency to others in connection with a transaction that is not initiated by the consumer.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1785.11 of the Civil Code is amended
2 to read:
3 1785.11. (a) A consumer credit reporting agency shall
4 furnish a consumer credit report only under the following
5 circumstances:
6 (1) In response to the order of a court having jurisdiction to
7 issue an order.
8 (2) In accordance with the written instructions of the consumer
9 to whom it relates.

1 (3) To a person whom it has reason to believe:

2 (A) Intends to use the information in connection with a credit
3 transaction, or entering or enforcing an order of a court of
4 competent jurisdiction for support, involving the consumer as to
5 whom the information is to be furnished and involving the
6 extension of credit to, or review or collection of an account of, the
7 consumer; or

8 (B) Intends to use the information for employment purposes;
9 or

10 (C) Intends to use the information in connection with the
11 underwriting of insurance involving the consumer, or for
12 insurance claims settlements; or

13 (D) Intends to use the information in connection with a
14 determination of the consumer's eligibility for a license or other
15 benefit granted by a governmental instrumentality required by law
16 to consider the applicant's financial responsibility or status; or

17 (E) Intends to use the information in connection with the hiring
18 of a dwelling unit, as defined in subdivision (c) of Section 1940;
19 or

20 (F) Otherwise has a legitimate business need for the
21 information in connection with a business transaction involving
22 the consumer.

23 (b) A consumer credit reporting agency may furnish
24 information for purposes of a credit transaction specified in
25 subparagraph (A) of paragraph (3) of subdivision (a), where it is
26 a credit transaction that is not initiated by the consumer, only under
27 the circumstances specified in paragraph (1) or (2), as follows:

28 (1) The consumer authorizes the consumer credit reporting
29 agency to furnish the consumer credit report to the person.

30 (2) The proposed transaction involves a firm offer of credit to
31 the consumer, the consumer credit reporting agency has complied
32 with subdivision (d), and the consumer has not elected pursuant to
33 paragraph (1) of subdivision (d) to have the consumer's name
34 excluded from lists of names provided by the consumer credit
35 reporting agency for purposes of reporting in connection with the
36 potential issuance of firm offers of credit. A consumer credit
37 reporting agency may provide only the following information
38 pursuant to this paragraph:

39 (A) The name and address of the consumer.



1 (B) Information pertaining to a consumer that is not identified
2 or identifiable with a particular consumer.

3 (c) Except as provided in paragraph (2) of subdivision (a) of
4 Section 1785.15, a consumer credit reporting agency shall not
5 furnish to any person a record of inquiries solely resulting from
6 credit transactions that are not initiated by the consumer.

7 (d) (1) A consumer may elect to have his or her name and
8 address excluded from any list provided by a consumer credit
9 reporting agency pursuant to paragraph (2) of subdivision (b) by
10 notifying the consumer credit reporting agency, by telephone or in
11 writing, through the notification system maintained by the
12 consumer credit reporting agency pursuant to subdivision (e), that
13 the consumer does not consent to any use of consumer credit
14 reports relating to the consumer in connection with any transaction
15 that is not initiated by the consumer.

16 (2) An election of a consumer under paragraph (1) shall be
17 effective with respect to a consumer credit reporting agency, and
18 any affiliate of the consumer credit reporting agency, on the date
19 on which the consumer notifies the consumer credit reporting
20 agency.

21 (3) An election of a consumer under paragraph (1) shall
22 terminate and be of no force or effect ~~following~~ *subsequent to*
23 notice from the consumer to the consumer credit reporting agency,
24 through the system established pursuant to subdivision (e), that the
25 election is no longer effective.

26 (e) Each consumer credit reporting agency that furnishes a
27 prequalifying report pursuant to subdivision (b) in connection
28 with a credit transaction not initiated by the consumer shall
29 establish and maintain a notification system, including a toll-free
30 telephone number, that permits any consumer, with appropriate
31 identification and for which the consumer credit reporting agency
32 has a file, to notify the consumer credit reporting agency of the
33 consumer's election to have the consumer's name removed from
34 any list of names and addresses provided by the consumer credit
35 reporting agency, and by any affiliated consumer credit reporting
36 agency, pursuant to paragraph (2) of subdivision (b). Compliance
37 with the requirements of this subdivision by a consumer credit
38 reporting agency shall constitute compliance with those
39 requirements by any affiliate of that consumer credit reporting
40 agency.

1 (f) Each consumer credit reporting agency that compiles and
2 maintains files on consumers on a nationwide basis shall establish
3 and maintain a notification system under paragraph (1) of
4 subdivision (e) jointly with its affiliated consumer credit reporting
5 agencies.

